

STATINTL

MEMORANDUM FOR:

A couple of weeks back, you asked me to prepare responses for questions Congressman Milford proposed to the Director at a House Select Committee hearing. Attached are proposed responses to questions 2 and 3 in Congressman Milford's second set of questions. #3 was coordinated with Finance, the Audit Staff, and Comptroller. I am still working on question 1 of the second set.

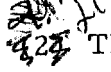
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FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

(47)

 This proposal conforms to our existing practice. I have often stated that the Agency has no secrets from its oversight committees. The Appropriations Committees or its subcommittees receive annual briefings on the goals, programs, projects, and missions of the individual agencies of the intelligence community, as part of the annual appropriations process. CIA also keeps its legislative oversight committees fully informed of the Agency's activities.

✓ 3.
~~435~~ Section 8(b) of the Central Intelligence Agency Act of 1949 gives the Director the authority to expend funds without the disbursements being subject to further review. It has always been my position that a substantial number of CIA's programs could be audited by GAO, and in fact, GAO did audit some of our programs for over ten years. That audit was terminated in 1962 because GAO did not have access to all our accounts, and did not feel they could conduct a meaningful comprehensive audit without additional access. I am certain that arrangements can be made for a resumption of a GAO audit of Agency activities at the request of one of our oversight committees. This would require advance agreement on security procedures and on the distribution and content of the GAO report. However, some transactions and programs cannot be confirmed or evaluated by GAO without disclosing U.S. Government/CIA interest or compromising the activity. My certification alone must be sufficient for these activities.

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